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UNCLAS KUALA LUMPUR 000004

SIPDIS  
SENSITIVE

FOR EAP/MTS AND INR

E.O. 12958: N/A  
TAGS: [PGOV](#) [KDEM](#) [MY](#)  
SUBJECT: UPCOMING PARLIAMENTARY BY-ELECTION A LITMUS TEST  
FOR UMNO

#### Summary and Comment

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¶1. (SBU) In a local political contest that will be closely watched in the capital, the Malaysian constituency of Kuala Terengganu will hold a by-election on January 17 to determine the successor for the late Member of Parliament (MP) Razali Ismail. The ruling United Malays National Organization (UMNO) and the opposition Islamic Party of Malaysia (PAS) have each fielded capable but very different candidates to replace UMNO-member Razali. Although an opposition victory will not shift the balance of power in parliament, this by-election remains very important: it will serve as a litmus test by ethnic Malays on the performance of the BN government, pitting UMNO's longevity against PAS's resurgence in this ethnic Malay stronghold. UMNO, therefore, is investing substantial resources into this by-election, with Deputy Prime Minister Najib Razak personally heading the UMNO candidate's campaign operation. End Summary and Comment.

#### National Audience for a Local Race

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¶2. (SBU) Razali Ismail, a two-term Kuala Terengganu UMNO MP who was also the Deputy Minister of Education, died of a heart attack three weeks ago. When an incumbent MP dies in office within the first three years of a five year term, the Malaysian Constitution calls for a by-election to fill the vacant MP seat. UMNO and PAS have each named candidates to contest the seat, along with one independent. The candidates will officially begin their 10-day campaigning period after registering on January 6, culminating with the by-election on January 17.

¶3. (SBU) The late Razali Ismail won his MP seat by only 648 votes over his PAS opponent out of nearly 65,000 cast in the March 2008 general election. The state of Terengganu, which is 95% ethnic Malay, has long been a battleground of Malay ideology between UMNO and PAS. PAS controlled the state government from 1959-1962 and again from 1999 until 2004, but the state has otherwise been under UMNO control. This particular constituency has the largest concentration of ethnic Chinese in the state, consisting of 10% of the population. Although the Terengganu Chinese largely abandoned the BN in the March 2008 campaign, they also did not show up in great numbers to vote for the opposition. If there is another close race, the voter turnout from the ethnic Chinese may tilt this race in favor of PAS. The Democratic Alliance Party (DAP), an opposition party largely made up of ethnic Chinese, has vowed to campaign heavily within the constituency on PAS's behalf.

#### The Opportunity and the Candidates

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¶4. (SBU) The by-election presents an unexpected opportunity for PAS and the opposition coalition People's Alliance (PR), who have relatively little to lose and all to gain from a contest in this UMNO stronghold. Public dissatisfaction with UMNO has only grown stronger since the March 2008 general elections, and an UMNO defeat in their own heartland would send a signal throughout Malaysia that ethnic Malays are fed up with UMNO. UMNO clearly recognizes that their national reputation can be damaged by this single contest, as Deputy PM Najib Tun Razak personally named the UMNO candidate for the by-election, and embassy contacts told Poloff that Najib himself will personally oversee the election operations. Another contact informed Poloff that several weeks ago UMNO booked all of the hotel rooms in Kuala Terengganu for the week prior to the by-election, both to lodge the numerous supporters that they are bringing in to campaign on its behalf, and to prevent the opposition from doing the same.

¶5. (SBU) UMNO has selected party stalwart Wan Ahmad Farid Wan Salleh as its candidate. Farid recently ended his tenure as the Deputy Home Minister and as a Senator to run for MP. Farid, who is also the UMNO Kuala Terengganu division chief, is a nationally known politician with a lot of clout within UMNO. (Note: He is a former US IVLP alumnus. End Note.)

¶6. (SBU) PAS's candidate, Abdul Wahid Endut, is not nationally known but very highly regarded within Terengganu. A five-term state Assemblyman who double-hats as the PAS state treasurer, Abdul is an extremely popular leader at the grassroots level. Abdul is considered a compromise candidate between PAS's moderate and conservative factions, which each initially proposed different candidates before agreeing on

Abdul. PAS hopes that this will be the first step to regaining power at the state level, where they lost control in 2004.

¶7. (U) Poloff's will be in Kuala Terengganu for the run-up to the election, and will report on the results and national impact shortly thereafter.  
KEITH